

**INSTITUTE FOR INDIAN  
DEVELOPMENT, INC.**

Financial Report

Year Ended June 30, 2010

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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
 Institute for Indian Development, Inc.  
 Houma, Louisiana

We have audited the accompanying statement of financial position of the Institute for Indian Development, Inc. (a nonprofit organization) (hereinafter the "Institute") as of June 30, 2010, and the related statement of activities and cash flows for the year then ended. These financial statements are the responsibility of the Institute's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Institute as of June 30, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2014, on our consideration of the Institute's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Institute taken as a whole. The combining statements of financial position and activities are presented for purposes of additional analysis and are not a required part of the financial statements of the Institute. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the Institute. The schedule of expenditures of federal awards on pages 14-15 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The combining statements of financial position and activities on pages 12-13 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance to them.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Morgan City, Louisiana  
February 28, 2014

## **FINANCIAL STATEMENTS**

INSTITUTE FOR INDIAN DEVELOPMENT, INC.  
Houma, Louisiana

Statement of Financial Position  
June 30, 2010

ASSETS

Current assets:	
Cash	\$ 3,900
Receivables-	
Grant	123,500
Other	3,023
Due from Inter-Tribal Council	3,151
Total current assets	<u>133,574</u>
Non-current assets:	
Equipment	18,188
Less: accumulated depreciation	<u>(10,515)</u>
Total non-current assets	<u>7,673</u>
Total assets	<u>\$ 141,247</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Cash overdraft	\$ 44,704
Accounts payable	78,103
Deferred revenue	3,065
Due to Inter-Tribal Council	6,421
Compensated absences payable	4,948
Total current liabilities	<u>137,241</u>
Long-term liabilities:	
Compensated absences payable	<u>7,422</u>
Total liabilities	<u>144,663</u>
Net assets:	
Unrestricted (deficit)	(5,269)
Temporarily restricted	<u>1,853</u>
Total net assets (deficit)	<u>(3,416)</u>
Total liabilities and net assets	<u>\$ 141,247</u>

*The accompanying notes are an integral part of this statement.*

INSTITUTE FOR INDIAN DEVELOPMENT, INC.  
Houma, Louisiana

Statement of Activities  
Year Ended June 30, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and support:			
Contributions	\$ 2,453	\$ -	\$ 2,453
Federal grants	<u>2,440,376</u>	<u>-</u>	<u>2,440,376</u>
Total revenues	<u>2,442,829</u>	<u>-</u>	<u>2,442,829</u>
Expenses:			
Program services -			
Social services	252,685	-	252,685
Employment assistance	<u>2,184,728</u>	<u>-</u>	<u>2,184,728</u>
Total program services	<u>2,437,413</u>	<u>-</u>	<u>2,437,413</u>
Supportive services -			
Management and general	3,192	-	3,192
Depreciation expense	<u>1,973</u>	<u>-</u>	<u>1,973</u>
Total supportive services	<u>5,165</u>	<u>-</u>	<u>5,165</u>
Total expenses	<u>2,442,578</u>	<u>-</u>	<u>2,442,578</u>
Change in net assets	251	-	251
Net assets, beginning of year, as restated	<u>(5,520)</u>	<u>1,853</u>	<u>(3,667)</u>
Net assets, end of year	<u>\$ (5,269)</u>	<u>\$ 1,853</u>	<u>\$ (3,416)</u>

*The accompanying notes are an integral part of this statement.*

INSTITUTE FOR INDIAN DEVELOPMENT, INC.  
Houma, Louisiana

Statement of Cash Flows  
Year Ended June 30, 2010

Cash flows from operating activities:	
Increase in net assets	\$ 251
Adjustments to reconcile change in net assets to net cash provided by operating activities -	
Depreciation	1,973
Change in current assets and liabilities:	
Grant receivable	(9,048)
Cash overdraft	18,910
Accounts payable	24,991
Accrued payroll	(24,745)
Due to Inter-Tribal Council	<u>(25,904)</u>
Cash, beginning of year	<u>17,472</u>
Cash, end of year	<u><u>\$ 3,900</u></u>

*The accompanying notes are an integral part of this statement.*



INSTITUTE FOR INDIAN DEVELOPMENT, INC.  
Houma, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

A. Nature of Activities

The Institute for Indian Development, Inc. (the Institute) was chartered as a non-profit corporation July 15, 1981, in the parish of East Baton Rouge, state of Louisiana. The stated purpose of the corporation is "...to operate exclusively for educational, cultural development, charitable literacy, scientific research purposes..." for Native Americans living in Louisiana. Institute policies and procedures are set by the Board of Trustees, comprised of the chairperson of each of the eight state recognized Tribes domiciled in Louisiana.

B. Financial Statement Presentation

The Institute's financial statements are prepared in accordance with *FASB Accounting Standards Codification 958-205, Presentation of Financial Statements*. *FASB Accounting Standards Codification 958-205, Presentation of Financial Statements* states that a complete set of financial statements for a non-profit organization includes (1) a statement of financial position, (2) a statement of activities, (3) a statement of cash flows, and (4) notes to the financial statements.

In accordance with *FASB Accounting Standards Codification 958-210, Balance Sheet* a statement of financial position focuses on the organization as a whole and therefore, reports total assets, liabilities, and net assets by class (unrestricted, temporarily restricted, and permanently restricted).

C. Basis of Accounting

The accompanying financial statements of the Institute have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

D. Statement of Cash Flows

For purposes of the statement of cash flows, the Institute considers all highly liquid interest-bearing deposits with a maturity of three months or less when purchased to be cash equivalents.

E. Revenues and Support

The Institute receives its grant contract support from the U.S. Department of Health and Human Services and the U.S. Department of Labor.

F. Income Tax Status

The Institute is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. The Institute has not been classified by the IRS as a private foundation.

INSTITUTE FOR INDIAN DEVELOPMENT, INC.  
Houma, Louisiana

Notes to Financial Statements (continued)

The Institute is required to file Form 990, *Return of Organization Exempt from Income Tax* in the United States. As of June 30, 2010, the Institute's tax returns for the years ended June 30, 2007, 2008, and 2009 are subject to examination by the IRS, generally for three years after they were filed. With few exceptions, as of June 30, 2010, the Institute is no longer subject to examinations for years before 2007.

G. Equipment

Purchased property and equipment are recorded at cost at the date of acquisition. Property and equipment purchased with grant funds are recorded as temporarily restricted contributions. In the absence of donor stipulations regarding how long the assets must be used, the Institute has adopted a policy of implying a time restriction that expires over the useful life of the assets. It is the Institute's policy to capitalize asset purchases of \$500 or greater.

Depreciation expense is calculated on the straight line method over the assets' estimated useful lives of five to ten years.

H. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

I. Vacation and Sick Leave

Vacation leave is accrued when earned for administrative and programmatic employees. Sick leave is lost if not taken prior to year-end, however, vacation time vests. Accordingly, accrued compensation for future absences includes only unused vacation time at June 30, 2010.

J. Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

(2) Cash

The Institute maintains five checking accounts with a local financial institution which were all fully insured against loss at June 30, 2010.

INSTITUTE FOR INDIAN DEVELOPMENT, INC.  
Houma, Louisiana

Notes to Financial Statements (continued)

(3) Due from Other Agencies

Grants receivable consisted of the following at June 30, 2010:

U.S. Department of Labor	
Senior Community Service Employment Program	\$ 88,952
U.S. Department of Health and Human Services	
Administration on Aging - Grants to Indian Tribes	3,827
Project Venture	<u>30,721</u>
	<u>\$ 123,500</u>

(4) Retirement Plan

The Institute participates in a simplified employee pension plan (SEP) through a life insurance company for its full-time employees with a minimum of one year of service. A SEP is a program under which the employer makes contributions to individual retirement accounts of employees. The amount of the Institute's contributions for the year ended June 30, 2010 totaled 10% of the eligible employees' annual salary. Contributions totaled approximately \$11,688.

(5) Related Party and Shared Costs

The Institute shares facilities/personnel with another nonprofit corporation related through several common board members. Based on a grantor agency directive, no formal indirect cost allocation method is employed. Common costs not specifically identifiable by entity/program are allocated based on estimated program usage.

(6) Contingencies

The Institute is the grantee of three federally-assisted programs. These programs are subject to compliance reviews and audits by the grantor. Such reviews and audits could result in expenses being disallowed under the terms and conditions of the grants. As of June 30, 2010, there were no contingent liabilities arising from grantor audits.

(7) Temporarily Restricted Net Assets

Temporarily restricted net assets are scholarship funds consisting of cash contributions received which are restricted solely for educational expenses to qualified recipients.

(8) Concentrations

The Institute receives substantially all funding from federal grants. A significant reduction in the level of funding by these grant agencies would have a material impact on the Institute's activities.

INSTITUTE FOR INDIAN DEVELOPMENT, INC.  
Houma, Louisiana

Notes to Financial Statements (continued)

(9) Restatement of Net Assets

The Institute's financial statements for the year ended June 30, 2009 were restated to correct errors resulting in the understatement of grants receivable and overstatement of accounts payable. The effect of the restatement on the Institute's net assets is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Net assets previously reported as of June 30, 2009	\$ (13,356)	\$ 1,853	\$ (11,503)
Restatement of grants receivable	35,892	-	35,892
Restatement of accounts payable	<u>(28,056)</u>	<u>-</u>	<u>(28,056)</u>
Net assets restated as of June 30, 2009	<u>\$ (5,520)</u>	<u>\$ 1,853</u>	<u>\$ (3,667)</u>

(10) Date of Management's Review

Management has evaluated subsequent events through February 28, 2014, the date which the financial statements were available for issue.

## **SUPPLEMENTARY INFORMATION**

INSTITUTE FOR INDIAN DEVELOPMENT, INC.  
Houma, Louisiana

Combining Statement of Financial Position  
Year Ended June 30, 2010

ASSETS	General	AOA	Project Venture	SCSEP	Scholarship	Total
Current assets:						
Cash	\$ 3,900	\$ -	\$ -	\$ -	\$ -	\$ 3,900
Receivables:						
Grant	-	3,827	30,721	88,952	-	123,500
Other	1,022	-	-	2,001	-	3,023
Due from Inter-Tribal Council	-	292	467	2,392	-	3,151
Due from other programs	-	245	3,453	-	1,853	5,551
Total current assets	<u>4,922</u>	<u>4,364</u>	<u>34,641</u>	<u>93,345</u>	<u>1,853</u>	<u>139,125</u>
Non-current assets:						
Equipment	3,475	-	8,942	5,771	-	18,188
Less: accumulated depreciation	<u>(3,475)</u>	<u>-</u>	<u>(2,493)</u>	<u>(4,547)</u>	<u>-</u>	<u>(10,515)</u>
Total non-current assets	<u>-</u>	<u>-</u>	<u>6,449</u>	<u>1,224</u>	<u>-</u>	<u>7,673</u>
Total assets	<u><u>\$ 4,922</u></u>	<u><u>\$ 4,364</u></u>	<u><u>\$ 41,090</u></u>	<u><u>\$ 94,569</u></u>	<u><u>\$ 1,853</u></u>	<u><u>\$ 146,798</u></u>
LIABILITIES AND NET ASSETS						
Current liabilities:						
Cash overdraft	\$ -	\$ 31	\$ 11,095	\$ 33,578	\$ -	\$ 44,704
Accounts payable	159	750	1,473	75,721	-	78,103
Deferred revenue	-	3,065	-	-	-	3,065
Due to Inter-Tribal Council	6,421	-	-	-	-	6,421
Due to other programs	4,710	188	653	-	-	5,551
Compensated absences payable	-	350	1,003	3,595	-	4,948
Total current liabilities	<u>11,290</u>	<u>4,384</u>	<u>14,224</u>	<u>112,894</u>	<u>-</u>	<u>142,792</u>
Long-term liabilities:						
Compensated absences payable	-	526	1,505	5,391	-	7,422
Total liabilities	<u>11,290</u>	<u>4,910</u>	<u>15,729</u>	<u>118,285</u>	<u>-</u>	<u>150,214</u>
Net assets (deficit):						
Unrestricted (deficit)	(6,368)	(546)	25,361	(23,716)	-	(5,269)
Temporarily restricted	-	-	-	-	1,853	1,853
Total net assets (deficit)	<u>(6,368)</u>	<u>(546)</u>	<u>25,361</u>	<u>(23,716)</u>	<u>1,853</u>	<u>(3,416)</u>
Total liabilities and net assets	<u><u>\$ 4,922</u></u>	<u><u>\$ 4,364</u></u>	<u><u>\$ 41,090</u></u>	<u><u>\$ 94,569</u></u>	<u><u>\$ 1,853</u></u>	<u><u>\$ 146,798</u></u>

*The accompanying notes are an integral part of this statement.*

INSTITUTE FOR INDIAN DEVELOPMENT, INC.  
Houma, Louisiana

Combining Statement of Activities  
Year Ended June 30, 2010

	General	AOA	Project Venture	SCSEP	Scholarship	Total
Revenues and support:						
Contributions	\$ 2,453	\$ -	\$ -	\$ -	\$ -	\$ 2,453
Federal grants	-	101,676	152,949	2,185,751	-	2,440,376
Total revenues	<u>2,453</u>	<u>101,676</u>	<u>152,949</u>	<u>2,185,751</u>	<u>-</u>	<u>2,442,829</u>
Expenses:						
Program services -						
Social services	-	101,346	151,339	-	-	252,685
Employment assistance	-	-	-	2,184,728	-	2,184,728
Total program services	<u>-</u>	<u>101,346</u>	<u>151,339</u>	<u>2,184,728</u>	<u>-</u>	<u>2,437,413</u>
Supportive services -						
Management and general	3,192	-	-	-	-	3,192
Depreciation expense	-	-	1,705	268	-	1,973
Total supportive services	<u>3,192</u>	<u>-</u>	<u>1,705</u>	<u>268</u>	<u>-</u>	<u>5,165</u>
Total expenses	<u>3,192</u>	<u>101,346</u>	<u>153,044</u>	<u>2,184,996</u>	<u>-</u>	<u>2,442,578</u>
Change in net assets	(739)	330	(95)	755	-	251
Net assets (deficit), beginning of year, as restated	<u>(5,629)</u>	<u>(876)</u>	<u>25,456</u>	<u>(24,471)</u>	<u>1,853</u>	<u>(3,667)</u>
Net assets (deficit), end of year	<u>\$ (6,368)</u>	<u>\$ (546)</u>	<u>\$ 25,361</u>	<u>\$ (23,716)</u>	<u>\$ 1,853</u>	<u>\$ (3,416)</u>

*The accompanying notes are an integral part of this statement.*

INSTITUTE FOR INDIAN DEVELOPMENT, INC.  
Houma, Louisiana

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2010

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	CFDA Number	Pass-Through/ Entity Identifying Number	Expenditures
U.S. Department of Labor:			
Senior Community Service Employment Program Title V	17.235		\$ 2,184,728
U.S. Department of Health and Human Services:			
Administration on Aging- Grants to Indian Tribes Title VI	93.047		101,346
Passed through the Louisiana Department of Health and Hospitals Project Venture	93.959	CFMS680442	<u>151,339</u>
Total U.S. Department of Health and Human Services			<u>252,685</u>
 Total Federal Expenditures			 <u><u>\$ 2,437,413</u></u>



INSTITUTE FOR INDIAN DEVELOPMENT, INC.  
Houma, Louisiana

Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2010

(1) General

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of the Institute for Indian Development, Inc. (the Institute). All federal financial assistance received directly from federal agencies is included on the schedule as well as federal financial assistance passed through other government agencies.

(2) Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting which is described in Note 1 to the Institute's basic financial statements for the year ended June 30, 2010.

(3) Relationship to Financial Statements

Federal awards expenditures are reported in the Institute's statement of activities as components of unrestricted expenses. The difference from total expenses reported in the statement of activities is due to depreciation expense, purchases of capital assets with grant funds recorded in the statement of financial position, and differences attributable to the accrual and use of compensated absences. The following details federal awards expenditures:

Social services	\$ 252,685
Employment assistance	<u>2,184,728</u>
Total	<u>\$ 2,437,413</u>

(4) Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts in the related federal financial reports except for the changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

**INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS**

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## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees  
Institute for Indian Development, Inc.  
Houma, Louisiana

We have audited the financial statements of the Institute for Indian Development, Inc. (a nonprofit organization) (hereinafter the "Institute") as of and for the year ended June 30, 2010, and have issued our report thereon dated February 28, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Institute's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Institute's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2010-01 to be a material weakness.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Institute's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in accompanying schedule of findings and questioned costs as item 2010-02.

The Institute's response to the findings identified in our audit is described in the accompanying corrective action plan for current year findings. We did not audit the Institute's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the Institute's management, board of trustees, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under the provisions of Louisiana Revised Statutes 24:513 and 44:6, this report is a matter of public record and its distribution is not limited.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Morgan City, Louisiana  
February 28, 2014

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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Trustees  
 Institute for Indian Development, Inc.  
 Houma, Louisiana

### Compliance

We have audited the Institute for Indian Development, Inc.'s (hereinafter the "Institute") compliance with types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the Institute's major federal program for the year ended June 30, 2010. The Institute's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to the major federal program is the responsibility of the Institute's management. Our responsibility is to express an opinion on the Institute's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Institute's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Institute's compliance with those requirements.

In our opinion, the Institute complied, in all material respects, with the requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2010.

### Internal Control over Compliance

The Institute's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Institute's internal control over compliance with the requirements that could have a direct and material effect on its major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Institute's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information of the Institute's management, board of trustees, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under the provisions of Louisiana Revised Statutes 24:513 and 44:6, this report is a matter of public record and its distribution is not limited.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Morgan City, Louisiana  
February 28, 2014

INSTITUTE FOR INDIAN DEVELOPMENT, INC.  
Houma, Louisiana

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2010

Part I. Summary of Auditors' Results:

1. The auditors' report expresses an unqualified opinion on the financial statements.
2. One significant deficiency in internal control was disclosed by the audit of the financial statements. It was considered to be a material weakness.
3. One instance of noncompliance required to be reported in accordance with *Government Auditing Standards* was disclosed by the audit of the financial statements.
4. No material weaknesses in internal control over the major federal award program were reported.
5. The auditors' report on compliance for the major federal award program identified below expresses an unqualified opinion.
6. There were no audit findings required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The program tested as major was Senior Community Service Employment Program (CFDA Number 17.235).
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of OMB Circular A-133 was \$300,000.
9. The auditee did not qualify as a low-risk auditee under Section 530 of OMB Circular A-133.

Part II. Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

Internal Control –

2010-01 – Financial Reporting

CONDITION: Management and staff lack the expertise and/or experience in the selection and application of generally accepted accounting principles, as applicable to not for profit entities, in the financial statement preparation process.

CRITERIA: The Institute's internal control over financial reporting includes those policies and procedures that pertain to its ability to record, process, summarize, and report financial data consistent with the assertions embodied in the financial statements, including the ability of its management and staff to detect potential misstatements that may exist in the financial statements and related disclosures.

CAUSE: The condition results from a reliance on the auditor as part of the internal control process.

INSTITUTE FOR INDIAN DEVELOPMENT, INC.  
Houma, Louisiana

Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2010

EFFECT: Financial statements and related notes may reflect a material departure from generally accepted accounting principles.

RECOMMENDATION: The additional costs required to achieve the desired benefit may not be economically feasible.

Compliance –

2010-02 – Late Audit Submission

CONDITION: The Institute's audit report was not completed and submitted to the Office of the Legislative Auditor within six months of year end nor was a reporting package submitted to the Federal Audit Clearinghouse within nine months after the end of the audit period.

CRITERIA: LSA-RS 24:513(A)(5)(a) provides that "such audits shall be completed within six months of the close of the entity's fiscal year."

Further, Public Law 104-156, Single Audit Act Amendments of 1996, requires the submission of a reporting package, which "includes the financial statements, schedule of expenditures of federal awards, corrections action plan..., and auditors' reports", to a federal audit clearinghouse within the earlier of "thirty (30) days after receipt of the auditors' report or...nine (9) months after the period audited".

CAUSE: The condition results from a failure to comply with state statutes and federal laws and regulations.

EFFECT: The Institute is not in compliance with LSA-RS 24:513 and Public Law 104-156, Single Audit Act Amendments of 1996.

RECOMMENDATION: We recommend that the Institute implement policies and procedures to ensure that its audit report is completed and submitted to the Office of the Legislative Auditor within six months of year end as required by state statute and the Federal Audit Clearinghouse within the reporting periods established under federal law.

Part III. Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of OMB Circular A-133:

There are no items reported under this section.



INSTITUTE FOR INDIAN DEVELOPMENT, INC.  
Houma, Louisiana

Schedule of Prior Year Findings  
Year Ended June 30, 2010

A. Internal Control –

09-1 (IC) Qualifications to Apply GAAP

CONDITION: The Organization does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.

STATUS: This finding is unresolved. See schedule of audit results and findings item 2010-01.

09-2 (IC) Controls over Disbursements

CONDITION: The Organization did not have controls in place requiring expenditures to be properly documented and approved prior to disbursement. Travel advances and expenses were paid to employees without proper documentation being submitted in a timely manner.

STATUS: This finding has been resolved.

B. Compliance –

Senior Community Service Employment Program (17.235):

09-3(C) Allowable Charges

CONDITION: The Organization paid travel expenses prior to travel documentation being properly completed and approved.

STATUS: This finding has been resolved.

09-4(C) Salaries and Wages

CONDITION: The Organization did not have adequate supporting documentation to support the distribution of salaries for employees.

STATUS: This finding has been resolved.

09-5(C) Cash Management

CONDITION: The Organization received cash advances in excess of amounts needed to cover immediate costs of the program.

STATUS: This finding has been resolved.

INSTITUTE FOR INDIAN DEVELOPMENT, INC.  
Houma, Louisiana

Schedule of Prior Year Findings  
Year Ended June 30, 2010

09-6(C) Indirect Cost Rate

CONDITION: The Organization is managing multiple programs and does not have an approved indirect cost rate.

STATUS: This finding has been resolved.

INSTITUTE FOR INDIAN DEVELOPMENT, INC.  
Houma, Louisiana

Corrective Action Plan for Current Year Findings  
Year Ended June 30, 2010

2010-01 – Financial Reporting

CONDITION: Management and staff lack the expertise and/or experience in the selection and application of generally accepted accounting principles, as applicable to not for profit entities, in the financial statement preparation process.

MANAGEMENT'S RESPONSE: Because of the size of the organization the Board of Trustees has determined that it would be more practical and cost effective to outsource the preparation of the Institute's financial statements to its independent auditors rather than incur the cost to employ someone with appropriate skills and expertise to prepare the financial statements in accordance with generally accepted accounting principles.

2010-02 – Late Audit Submission

CONDITION: The Institute's audit report was not completed and submitted to the Office of the Legislative Auditor within six months of year end now was a reporting package submitted to the Federal Audit Clearinghouse within nine months after the end of the audit period.

MANAGEMENT'S RESPONSE: The Institute for Indian Development will implement a policy to ensure that all audit reports are submitted in a timely manner as required by the Legislative Auditors Office and Federal Audit Clearing house to avoid late audits in the future.